(d) The silk weavers are not able to compete with unfairly priced silk fabric imports.

(e) Does not arise.

Issuance of licenses for import of luxury cars

2278. SHRI KARNENDU BHATTACHARJEE: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that DGFT has issued licenses for import of luxury cars; on the basis of fake hotel in Rajasthan;

(b) if so, the details thereof;

(c) action taken/being taken for investigation of the scam involved; and

(d) action proposed to be taken against the officers found responsible for the same?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN) : (a) to (d) No, Sir, DGFT had issued licences under EPCG (Export promotion for Capital Goods) Scheme for import of cars to only those hotels which had a letter of approval for the hotel project from the Ministry of Tourism, Govt. of India.

During 2005-06, the Directorate of Revenue Intellegence (DRI) has undertaken investigation of the cases involving misuse of provisions related to import of cars under EPCG Scheme. They have reported to have booked eight cases for evasion of customs duty on imported vechicles including cars and 61 vehicles have been seized by them on account of misuse fo EPCG scheme for import of cars.

The licences have been issued as per the Foreign Trade Policy and Procedure. However, the Directorate General of Foreign Trade (DGFT) has issued eight Show Cause Notices under Foreign Trade (Development & Regulation) Act, 1992 to the defaulters who are *prima facie* found to have violated the provisions of Foreign Trade Policy/procedures relating to import of cars under EPCG Scheme.